

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division**

IN RE:)
)
PARKING MANAGEMENT, INC.) **Case No. 20-15026-TJC**
) **Chapter 11 (Subchapter V)**
Debtor)

**DEBTOR'S OMNIBUS MOTION FOR ORDER APPROVING
AND AUTHORIZING REJECTION OF LEASES AS OF MAY 7, 2020**

Parking Management, Inc. (the “Debtor”), by and through its undersigned counsel, hereby moves, pursuant to 11 U.S.C. § 365 and Federal Rule of Bankruptcy Procedure 6006, for entry of an Order approving and authorizing the rejection of its leases identified on Exhibit A attached hereto as of May 7, 2020, and in support thereof states:

Background

1. On May 7, 2020 (the “Petition Date”), the Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Specifically, the Debtor seeks relief under Subchapter V of Chapter 11, the Small Business Reorganization Act (SBRA). The Debtor continues to operate its business and manage its properties as debtor-in-possession pursuant to sections 1107(a), 1108 and 1184 of the Bankruptcy Code.

2. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. Venue of the Debtor’s case and this matter is proper under 28 U.S.C. §§1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b)(2).

3. The statutory predicates for the relief sought herein are sections 365 and 105 of the Bankruptcy Code, as supplemented by Rule 6006 of the Federal Rules of Bankruptcy Procedure.

4. The Debtor has its principal place of business located at 1725 DeSales Street, NW, Suite 300, Washington, DC 20036.

5. The Debtor is one of the largest and most respected parking operators in the Mid-Atlantic region. In addition to parking management, the Debtor offers comprehensive parking garage design and consulting services. The Debtor focuses on automation and parking technology installations.

6. The Debtor operates 88 leased or managed properties throughout the Washington, DC and Baltimore metropolitan areas, specializing in complex mixed-use properties and has experience in all levels of commercial and residential parking operations.

The Leases

7. Each of the locations included on Exhibit A were closed pre-petition due to decreased revenues resulting from diminished use of the location by commuters, which was substantially exacerbated by the COVID-19 virus crisis.

Requested Relief

8. By this motion, the Debtor requests authority, pursuant to 11 U.S.C. § 365(a) to reject the Leases as of May 7, 2020.

Grounds for Requested Relief

9. Section 365(a) of the Bankruptcy Code is the statutory predicate with respect to a debtor's request to reject executory contracts and unexpired leases. Section 365(a) of the Bankruptcy Code provides, in pertinent part, "(a)...the trustee, subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). The right of a debtor to reject executory contracts and unexpired leases is fundamental to the bankruptcy system because it provides a mechanism through which financial burdens may

be lifted while the debtor attempts to reorganize. Courts uniformly defer to the business judgment of the debtor to determine whether rejection of an unexpired lease under § 365(a) is warranted. *Lubrizol Enterprises, Inc. v. Richmond Metal Finishers, Inc.*, 756 F.2d 1043, 1047 (4th Cir. 1985). Under the business judgment rule, the court's role is not to substitute its business judgment and the court should refuse to grant the debtor's request only in extremely limited circumstances or the proposed transaction falls below the lowest point in the range of reasonableness.

10. Because the Debtor ceased operating at the locations on Exhibit A prior to the Petition Date, the Leases are not necessary for the Debtor's business operations. After careful analysis, and in the exercise of its business judgment, the Debtor has determined and respectfully submits that rejection of the Leases as of May 7, 2020 is in the best interest of the bankruptcy estate, and its creditors.

Conclusion

WHEREFORE, Debtor respectfully requests that the Court enter an Order authorizing and approving the rejection of the Leases as of May 7, 2020 and granting such other relief as is just and proper.

Respectfully submitted,

**SHULMAN, ROGERS, GANDAL,
PORDY & ECKER, P.A.**

By: /s/ Michael J. Lichtenstein
Michael J. Lichtenstein (Bar No. 05604)
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Attorneys for Debtor

**PMI LOCATIONS
OPERATING RESULTS
FOR 5 MONTHS THRU FEB. 2020 & YEAR END SEPT. 2019**

LOCATION	
ADDRESS	LANDLORD
1101 15TH ST NW	TF CORNERSTONE INC
1156 15TH ST NW	TF CORNERSTONE INC
1620 EYE ST NW	TF CORNERSTONE INC
1275 K ST NW	METRO K LLC - COLLIERS INT'L
2201 WISCONSIN AVE NW	THE LENKIN CO
1133 CONNECTICUT AVE NW	THE LENKIN CO
919 18TH ST NW	EPIC 919 LLC - CROWN PROP.
1120 19TH ST NW	PRUDENCE LLC
1310 G ST NW	GAEDEKE GROUP LLC
815 E PRATT ST BALTIMORE	GOULD PROPERTY
720 ALICEANNA ST BALTIMORE	HARBOR EAST
1530 THAMES ST BALTIMORE	THAMES ST GARAGE LLC - HARBOR EAST

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PARKING MANAGEMENT, INC.) **Case No. 20-15026-TJC**
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Debtor)

**ORDER AUTHORIZING THE REJECTION OF
NON-RESIDENTIAL REAL ESTATE LEASES AS OF MAY7, 2020**

Upon consideration of the Debtor's Omnibus Motion for Order Approving and Authorizing Rejection of Leases as of May 7, 2020 (the "Motion"), and for good cause shown, it is this hereby

ORDERED, that the Motion be, and the same is hereby, GRANTED; and it is further

ORDERED, that rejection of the leases identified on Exhibit A attached hereto be, and the same is hereby, APPROVED as of May 7, 2020.

Copies to:

Michael J. Lichtenstein, Esquire
Shulman, Rogers, Gandal, Pordy & Ecker, P.A.
12505 Park Potomac Avenue, Sixth Floor
Potomac, Maryland 20854

Office of the United States Trustee
6305 Ivy Lane, Suite 600
Greenbelt, Maryland 20770

1101 FIFTEENTH LLC
c/o TFC Cornerstone Inc.
387 Park Avenue South, 7th Floor
New York, NY 10016

1156 FIFTEENTH LLC
c/o TFC Cornerstone Inc.
387 Park Avenue South, 7th Floor
New York, NY 10016

1620 EYE LLC
c/o TF Cornerstone Inc.
387 Park Avenue South, 7th Floor
New York, NY 10016

METRO K LLC
c/o Colliers International
P.O. Box 4857
Portland, OR 97208

2201 LIMITED PARTNERSHIP II
c/o Lenkin Company Management Inc.
4922-A St. Elmo Avenue
Bethesda, MD 20814

CONNECTICUT/DESALES LLC
c/o Lenkin Company Management Inc.
4922-A St. Elmo Avenue
Bethesda, MD 20814

EPIC 919 LLC
c/o Crown Properties, Inc.
15 Watts Street, 5th Floor
New York, NY 10013

1120 19TH STREET LIMITED
PARTNERSHIP
c/o Prudence LLC
c/o LPC Commercial Services
1120 19th Street, NW, #LL-21
Washington, DC 20036

GAEDEKE GROUP, LLC
1310 G Street, Suite 250
Washington, DC 20005

PRESIDENT STREET ASSOCIATES, LC
c/o Gould Property Company
1725 DeSales Street, NW
Washington, DC 20036

INNER HARBOR EAST GARAGE, LLC
c/o Harbor East Management Group
650 South Exeter Street, Suite 200
Baltimore, MD 21202

THAMES STREET GARAGE, LLC
c/o Harbor East Management Group
650 South Exeter Street, Suite 200
Baltimore, MD 21202

END OF ORDER

**IN THE UNITED STATES BANKRUPTCY COURT
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IN RE:)
)
PARKING MANAGEMENT, INC.) **Case No. 20-15026-TJC**
) **Chapter 11 (Subchapter V)**
Debtor)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the foregoing **Debtor's Omnibus Motion for Order Approving and Authorizing Rejection of Leases as of May 7, 2020 and Proposed Order** were delivered via first class mail, postage prepaid and via electronic mail as noted below, this 7th day of May, 2020, to:

Office of the United States Trustee
6305 Ivy Lane, Suite 600
Greenbelt, Maryland 20770

1101 FIFTEENTH LLC
c/o TFC Cornerstone Inc.
387 Park Avenue South, 7th Floor
New York, NY 10016
Attn: Ken Houle, VP (Kenneth.Houle@TFCornerstone.com)
Lisa Andrews, Property Manager (lisa.andrews@tfcornerstone.com)

1156 FIFTEENTH LLC
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Attn: Cynthia Cumbo, Property Manager (ccumbo@lenkin.com)

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Attn: Don Norwood, Property Manager (dnorwood@lenkin.com)

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1120 19TH STREET LIMITED PARTNERSHIP
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1310 G Street, Suite 250
Washington, DC 20005
Attn: Gina Pimentel, Senior Property Manager (GinaP@gaecke.com)

PRESIDENT STREET ASSOCIATES, LC
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Attn: Kingdon Gould III, CEO (Kiii@gouldproperty.com)

INNER HARBOR EAST GARAGE, LLC
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Attn: Laurie Weishorn, Lease Administrator (lweishorn@harboreast.com)

THAMES STREET GARAGE, LLC
c/o Harbor East Management Group
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Baltimore, MD 21202
Attn: Kim Laughlin, Property Manager (klaughlin@harboreast.com)

The 20 Largest Unsecured Creditors of Debtor on the attached list

Respectfully submitted,

**SHULMAN, ROGERS, GANDAL,
PORDY & ECKER, P.A.**

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